Educational Procurement Journal

NATIONAL ASSOCIATION OF EDUCATIONAL PROCUREMENT

IN THIS ISSUE
Enhancing Education and Research through International Activities
Renovating and Equipping Buildings Abroad
Study Abroad: Protecting Students and Universities in the Global Classroom
What Custom Brokers Do and Why You Should Meet

2015 ANNUAL MEETING
APRIL 12–15, 2015 • ATLANTA, GEORGIA
That’s the power of “&.” With nearly 100 competitively awarded contracts from top suppliers, technologies to improve your sourcing processes and expert consulting services, we’re here to help you save time and money and accomplish more with less.
Lower your operating costs with the everyday supplies you need.

Shop more than 50,000 products at americanhotel.com/education or contact our dedicated team of education specialists today.

For decades, our Education Division has brought value and variety to colleges, universities, schools and other institutions. Our partnership with E&I Cooperative Services drives down costs on campus for all E&I members and offers real cost savings, with special pricing on more than 3,000 items and free freight on qualified orders.

Delivering high quality supplies at great prices is just the beginning. You’ll also benefit from a host of budget-friendly programs and services, like fast nationwide delivery, furniture replacements and logistics, and customized, secure e-commerce solutions.
Let us show you how NJPA contracts can help you get there!
As a government agency, NJPA competitively solicits contracts on behalf of our members resulting in highly valued, nationally-leveraged contracts with world-class suppliers.


NJPA is a proud Presidential Sponsor of NAEP.

Visit us at BOOTH 231 or learn more at NJPAcoop.org

Here’s a sampling of our competitively solicited, national cooperative contract solutions:
Letter from the CEO

8   Honoring NAEPers Today and Everyday  
Doreen Murner, CEO, NAEP  
Since NAEP’s beginnings, we have recognized our members, and we continue to do so today.

Features

10  Find Education and Inspiration at the 2015 Annual Meeting  
Attend the 2015 NAEP Annual Meeting for inspiration and education, featuring a keynote speaker a day and 50 educational workshops.

12  International Service Contracts: Enhancing Education and Research through International Activities  
Jill M. Schunk, C.P.M., and Matt Estell, Esq.  
More and more universities are expanding operations overseas and internationally. This raises many issues and challenges for Procurement. This article provides a wealth of information and advice for navigating the tricky riverbeds.

16  International Service Contracts: Renovating and Equipping Buildings Abroad  
Nancy Filcher, University of Notre Dame  
The University of Notre Dame is heavily involved with purchasing for its many global research projects and its buildings in London and Rome. Read how its procurement team handles some unique challenges.

20  Study Abroad, Protecting Students and Universities in the Global Classroom  
Kimberly Dulaney, CPSM  
More and more universities are offering study abroad programs. Great opportunities for the students, but also great responsibilities and fairly significant risks for the institutions. A well-thought-out and executed risk-management program, along with the intelligent acquisition of insurance coverage, must be a key focus of the procurement office.

24  What Customs Brokers Do and Why You Should Meet  
Finesha Colton-Lee, MBA, CPSM  
As U.S. higher education institutions participate more frequently and deeply in the global economy, the importing of products takes special care and the need for added and special expertise. Customs brokers have become essential elements to an institution’s supply chain.

Departments

27  Certification: Let’s Talk Ethics, Part II—The Readers Respond  
Bob Ashby, C.P.M., CPCM  
In this issue, Bob Ashby continues the discussion of ethics, reporting back our thoughts and reflections on five different scenarios that were outlined in the previous issue. You may be surprised at his findings.

30  Roamin’ with Yeoman: Energy Efficiency Mythology  
Brian K. Yeoman  
According to our Raging Thunderlizard for Change, Gresham’s Law is always at work, especially in the context of energy savings and efficiencies. Brian shares with us ten myths (results of the law at work)—and their corresponding truths—about energy conservation and smart usage.

32  Best and Final: My First Annual Meeting—An Initiation?  
Neil D. Markee  
We ignore those who go before us at our own peril. And that is usually accompanied by not recognizing greatness in our midst. Neil Markee is our treasure, and this recollection of his first national meeting is a jewel of his own giving. Enjoy and appreciate.
IN-PERSON EVENTS

2015 ANNUAL MEETING
April 12–15, 2015
Atlanta, GA

OUTSTANDING SUCCESS Deserves Recognition!

- Is one of your colleagues doing something exceptional?
- Are you working on a successful project?

Nominate either yourself or your colleagues for a national award from NAEP. Let’s share our collective success and continue to improve higher education.

Visit www.NAEPnet.org to make a difference.

COMPLIMENTARY WEBINARS

Visit www.naepnet.org to see a full calendar of complimentary webinars on various procurement topics.

INDEX TO ADVERTISERS

American Hotel Register
Company
www.americanhotel.com/education . 3

B&H Photo, Video & Pro Audio
www.bandh.com/eandi .......... 7

Concur*
www.concur.com ............. 33

E&I Cooperative Services
www.eandi.org ............... IFC

ERG International
www.erginternational.com .... 13

ESM Solutions
www.esmsolutions.com ....... 18-19

FDSI Logistics, Inc.*
www.fdsi.com .............. 3

GovConnection.com
www.govconnection.com/eandi ... 22

Grainger*
www.grainger.com ........... 15

Keystone Purchasing Network (KPN)
www.thekpn.org ............... OBC

MetaProduce*
www.metaprocure.com ........ 16

NASPO Value Point
www.naspovaluepoint.org .... 21

National Joint Powers Alliance*
www.njpacoop.org ........... 4, 26

Office Depot*
www.business.officedepot.com ... 11

Salsbury Industries
www.lockers.com ............ 24

Sehi Computer Products, Inc.*
www.buysehi.edu ............ 14

Staples*
www.staples.com/highered .... 28

TCPN*
www.tcpn.org ............... 23

UNIMARKET*
www.unimarket.com .......... 34-35

U.S. Communities*
www.uscommunities.org ....... 29

WESCO*
www.wesco.com/education .... 25

VISA*
www.visa.com ............... 9

Xerox Corporation*
www.xerox.com/mps ........... 17

*NAEP Business Affiliate Member

Interested in joining this community? Call 443.543.5540.
E&I Members please go to www.bandh.com/eandi for ordering information

1) 300,000 Creative Technology items on contract, most in stock and ready to ship, including Photo, Video, Pro Audio, AV, Security, Optics and all their associated accessories.
2) Dedicated, knowledgeable account teams and 24/7 online order tracking.
3) Direct eProcurement via eSchoolMall, Sciquest, Ariba and many others.
4) Pre-sales technical advice and budget planning.

Direct E&I Hotline
Purchase Orders / Quotes / Bids

Tel: 800-942-8214  Fax: 800-743-0895
E-mail: eandi@bandh.com
ACH SPRING, our NAEP community honors those Members who have selflessly and tirelessly given of themselves in one way or another to support the Association. From our Young Volunteer of the Year Award to our highest esteemed Bert C. Aherns Award, we have recognized countless Members over the years (122 volunteers and institutions since 2000 alone!). NAEP takes great pride in our Association’s long-standing commitment to volunteerism and the critical role our members play in carrying out the work of the Association. These Members are not only benefiting themselves personally but are also benefiting you, the NAEP Member. It is only fitting that we recognize and honor them.

Since our founding, we have remained committed to our volunteers. Every day since 1921 procurement professionals from around the country engage in volunteer programs, activities and initiatives that drive the Association’s work to improve procurement in higher education and ultimately our society. Awards were created to showcase this amazing work. Our unwavering support continues today. It takes just 15 minutes to apply but the recognition is everlasting.

As a procurement professional, you are part of a larger community of innovators, communicators, volunteers, and mentors, whose expertise serves as the cornerstone of our great Association. We have many volunteer-led initiatives across NAEP’s spectrum of opportunities from our newly created Association Leadership Program for aspiring regional leaders to our many committees and task forces. NAEP volunteers coordinate and execute strategies, programs, and products for the Members not the least of which is our new contract library portal, NaeProcure.

So help me recognize and honor the many men and women who make a difference, who tirelessly give of themselves for the good of the whole. They may be nationally recognized Members or they may be sitting right next to you, silently striving to give back. Nominate those you know who are doing the extraordinary.

NAEP will continue to honor our volunteers today and everyday.

---

Honoring NAEPers
Today and Everyday

---

Doreen Murner
CEO, NAEP

---

Our new address:
8840 Stanford Blvd.
Suite 2000
Columbia, MD 21045

Phone: 443.543.5540 (same #)
Fax: 443.219.9687 (new)

The NAEP Office Has Moved!
Increase efficiency.
Decrease costs.
Enhance data.
Improve transparency.
Reduce paperwork.
Obtain vendor discounts.

Visa Commercial Solutions.

Purchase cards deliver an estimated $74 savings per transaction compared to paper-based processes.

Richard J. Palmer & Mahendra Gupta
2012 Purchasing Card Benchmark Survey Results
RPMG Research Corporation

Learn how Visa Commercial Solutions can streamline your procure-to-pay process by contacting Orson Morgan at 571.439.7266 or ormorgan@visa.com.
NAEP’s 2015 Annual Meeting heads to Atlanta, Georgia, April 12-15. Highlighted by a keynote address from Dr. Bernice King, the conference is the educational and inspirational cannot-miss event of the year. Attend the Annual Meeting and return back to your office recharged and renewed, ready to tackle your daily challenges with actionable ideas shared by your colleagues.

Dr. Bernice King will present her inspirational message during the closing keynote address on Wednesday morning. Daughter of Dr. Martin Luther King, Jr., she will recharge us to return to our communities to make a positive impact with the young people in our lives. Wednesday continues with a celebration of our national award winners at a luncheon for all attendees. After another full day of sessions you will leave the meeting recharged and reinvigorated.

But before we even get to that last day of the conference, kick off the event on Sunday evening with our host event, in partnership with E&I, at the Georgia Aquarium. Visit with your old friends and enjoy heavy hors d’oeuvre under the watchful eyes of beluga whales, whale sharks, dolphins and manta rays.

Returning by popular demand, the educational conference will kickoff Monday morning with the NAEP PEP Talks. Howard Teibel and David Rabiner will be joined this year by Chuck Gallagher to discuss Group Decision Making, Negotiations and Ethics, respectively. Choose your keynote and attend their full-length session immediately following the general session.

The Program Committee, led by Lisa Deal of the University of Florida, has prepared a dynamic program full of relevant, topic-specific content.

Thank you to our 2015 sponsors!
There will be 50 educational workshops this year in six categories:

- Applied Procurement Techniques;
- Business Collaboration;
- Innovations in Procurement;
- Leadership and Strategic Planning;
- Talent Management and Talent Development;
- Technology.

Highlights of the program include a Chief Financial Officer roundtable discussion that will provide you the opportunity to learn the issues CFOs are focusing on and the role that procurement plays in their strategy.

The program includes content for small schools and includes a peer-to-peer discussion on both the opportunities and the unique challenges you face today.

If you manage staff or aspire to a managerial role, there are several sessions geared towards talent management including a peer-to-peer discussion facilitated by leading thinkers on the subject and a detailed session on how to select top talent using the NAEP Competency Model.

As always, all sessions are available for Continuing Education Credits.

The Leadership Forum returns once again this year. This add-on training for senior procurement leaders and rising stars will supplement your conference experience. Quality leadership training is often priced in the thousands of dollars, but NAEP is offering this add-on event at the Annual Meeting for a significantly discounted rate. If you are a leader at your institution or want to develop these skills as you advance your career, this all-day course on Sunday, April 12th is a necessity.

The Exhibit Hall will once again feature over 125 vendors ready with their products and services to help solve your challenges and meet your needs. The NAEP booth in the exhibit hall will feature short learning sessions throughout.

The 2015 annual meeting provides top-notch educational opportunities across a varied spectrum, networking events where you can meet with old friends and new colleagues, and a vendor community that supports procurement in higher education. All this education and networking will leave you feeling recharged to tackle your toughest challenges.
One of the largest changes facing higher education currently is international procurement and the challenges within a public procurement environment. This change is motivated by several goals including the pursuit of new discoveries by research faculty and the University’s desire to attract the brightest minds and provide unparalleled educational experiences. The advancement of these goals is resulting in a surge of contracts with foreign individuals and entities.

At Indiana University, international activities align with the baseline mission of the institution, especially education and research. The goal of international activities is to enhance the range and quality of education, research, and service, thereby also enhancing the reputation of the institution.

The scope of international and global education continues to expand with additional area and global studies centers, more foreign language courses, and new degree offerings in international studies. A recent development is the more strategic approach to international partnerships. These initiatives are more important than ever for promoting international research and education. Productive affiliations with top-quality universities in other countries create opportunities for research collaboration, enhance study abroad opportunities for students, and enhance an institution’s international prestige.

In 2013 and 2014, Indiana University initiated a major venture with the opening of gateways in India and China. Gateways provide facilities for onsite research, collaboration, and teaching, as well as for video conferencing with remote sites. They can be used for medium-sized conferences, meetings and receptions, and they assure a local presence in a world region. They assist recruitment of top-quality students. They also host orientations for newly recruited students (and parents), faculty members doing research abroad, and students in IU programs abroad. Finally, they host events that connect alumni to the university.

International procurement contracts may be as simple as hiring a French tour guide for a stroll through the Louvre, or they can be extremely complex. What happens when one of these international engagements is ripe for review by procurement? If panic sets in when confronted by this question, then please consider the following (and consult legal counsel because this is not legal advice):

1. Recommendations for Consideration in International Engagements; and
2. The Necessity of Cross-Institutional Coordination.

Recommendations for Consideration in International Engagements

Currency: Sometimes the simplest currency issues create the largest headaches. Take time to clearly define the currency in which payment is to be made. Make sure the payment processing team can actually make payment in the agreed upon currency. Reduce confusion by clearly distinguishing currencies in your accounting system (10,000 USD is much different than 10,000 Rupees). If a conversion rate is agreed upon, then it may be wise to specify how that rate is affected by significant increases or decreases in a currency’s value.

There may be a need to establish alternative payment procedures such as a custodial fund to make it possible for the university work to be conducted in regions without modern banking amenities. This can help reduce the risk of employees carrying cash overseas.

Translations: If an agreement is translated into another language, specify which language version supersedes the other when contradictions or ambiguities arise.

Choice of Laws: Specify which country’s laws are to be applied to dispute resolutions. It is most likely in the best interests of an institution to settle on the law that governs the jurisdiction where the institution is based. If that law is rejected, then it may make sense to “go silent” by not specifying an applicable law, or by agreeing on a neutral country’s laws if the need is to avoid the other party’s local laws.

Choice of Forum: Restrict where claims can be filed. It is likely more cost effective to litigate an issue in “your backyard” instead of halfway around the world. More favorable judgments may result in a local court.

Arbitration: If the preferred choice of forum is rejected in favor of arbitration, ignore the reflex to blindly reject it. Consider it as a possible option and assert preferred arbitration institutions and rules. Arbitrating a dispute is very often better than defending a suit in a foreign court.
Preserve the independent nature of the relationship (that is, avoid “de facto” employees). Avoid violating foreign employment, social welfare benefit, tax, and other laws by preserving the independent nature of the relationship and reducing the appearance of an employer/employee relationship. Each country has different laws that govern this issue, but some (among others) of the factors that influence the determination of independent contractor versus employee are:

a) Duration of engagement: As time increases, so does the likelihood that a contractor will be deemed an employee by a foreign authority.

b) Amount of compensation: A contractor is more likely to look like an employee as the compensation amount approaches what would be considered full-time wages and when the contractor is providing services exclusively for the university.

c) Schedule and triggers for payment: Arbitrary regular payments (hourly / weekly / monthly) may make a contractor look more like an employee. If possible, payments should be project-based or per a schedule of deliverables. Hourly rates may be okay when engaging professionals, such as accountants, that serve many clients.

d) Amount of supervision / oversight / autonomy: A contractor who has more autonomy looks less like an employee than one who is heavily supervised.

e) Work schedule: Avoid setting the contractor's work schedule. Instead, specify due dates and deadlines for results and deliverables.

f) Materials / Supplies: Avoid providing these.

g) Expenses: Avoid agreeing to reimburse expenses. Have your contractor quote you a service fee that takes into account the fact that expenses will not be reimbursed. Specify that the contractor is responsible for the contractor's bank fees.

h) Benefits: Avoid agreeing to pay insurance or any other benefit that an employer might offer an employee. Promise only the service fee so the contractor has control over how the compensation is spent and what benefits are purchased.

i) Research and Teaching: Where possible, be careful not to refer to service descriptions in agreements as services that are part of your institution’s mission and would regularly be performed by employees of your institution. For example, if you can accurately and truthfully refer to a service as “analysis” instead of “research”, then that might help

Continued on page 14
to reduce the appearance of an employee relationship.

j) Equipment: Avoid providing it. This warning extends most notably to computers and software. Computer warranties may be voided by assigning computers to permanent use abroad and the equipment might be subject to export and import duties. Software licenses may also not be transferrable and thus it may be a contract violation to install software that is intended to be the permanent property of a foreign partner. If at all possible, promise only financial compensation and insist that any need of computers or software be satisfied and sourced by the contractor.

Taxes: If services are performed in multiple countries, be sure that the contractor is aware that taxes may be withheld on funds earned on services performed in the U.S. It may be necessary to require separate invoices for payments in different countries in order to comply withholding requirements. Avoid agreeing to pay a contractor’s taxes and be aware of the countries where there may be tax treaties.

Export Controls: Be careful not to agree to import or export technical information, technology, or intellectual property in ways that may violate export control laws (such as contracting with a party sanctioned by the US government). There are a handful of lists maintained by the Bureau of Industry and Security that should be checked. These can help avoid doing business with individuals or countries that may be associated with export control limitations. There are several software products in the marketplace that can support these searches as well.

Foreign Corrupt Practices Act (FCPA): The FCPA applies to any person who has a certain degree of connection to the United States and engages in corrupt practices. Engaging independent contractors creates anti-bribery law risk when those contractors will be engaging with “foreign officials,” a term that is broadly defined under that law. In such cases, the university should include FCPA language in the contract, exercise due diligence on the contractor if feasible (both financially and depending on the country), describe the services to be performed in detail, and document the completion of the services when possible.

The Necessity of Cross-Institutional Coordination
Differences in cultures, laws, communication, currencies, taxes, and more have to be understood to support and engage in international procurement. International activities certainly require cross-institutional coordination. When an engagement goes sideways overseas, it is more likely that legal or geopolitical issues may result in magnified negative consequences. Imagine for a moment the perils that may await unsuspecting students participating in a study abroad involving an unsavory service provider.
Coordination with the sources from which engagements spring: Cross-institutional coordination cannot be emphasized enough, especially in the early stages of an engagement when the seeds of compensation are planted. Sure, this is also true with domestic engagements; however, the stakes are higher on the international stage. Faculty and staff often build expectations in the minds of service providers that are difficult to control. This is a constant challenge without an easy remedy.

This challenge is complicated frequently by limited notice, which often requires quick, clear communication with various officers. An operating structure that allows for nimble communication and action is crucial in resolving these challenges. To be effective, workflows need to be managed to allow sufficient availability to address the all-too-common “we need this now” emergency.

It is important not only to encourage faculty/staff to involve purchasing as early as possible, but also insist that consequences are enforced when that does not happen. Saying “no” to particularly complicated, untimely, or inappropriately structured international engagements allows us to more effectively say “yes” when it matters. Although trying to be a hero by pushing through every engagement might be instinctual, this might be a disservice.

Information on how to approach international procurement has to be advertised, easy to find, and easy to understand. The degree to which efforts are coordinated with faculty and staff correlates to the degree with which they timely and openly involve Procurement.

Coordination with Supporting University Officers: Coordination with other university officers who can provide expertise, guidance and oversight is as equally important as coordination with the departments that initiate the engagements. The efficiency and thoroughness with which international engagements are solidified depends on the ability to connect interested officers with the relevant details of the engagement, and with each other. It is not uncommon for a single engagement to solicit input from one’s tax officer, legal officer, research officer, accounts payable officer, data security officer, travel officer, and international affairs officer.

Significant insight can be gained through an international projects working group. This group should be composed of representatives from offices relied upon for expertise and from whom projects commonly emerge. Meeting quarterly to share developments in international engagements is helpful in not only staying tuned-in, but also in nurturing relationships. Topics of discussion might include specific engagements, institutional policies, Q&A opportunities and developments in the law.

International procurement is a challenge. Purchasing goods and services internationally is much more complex than buying domestically. Differences in cultures, laws, communication, currencies, taxes, and more must be understood thoroughly. Cross-Institutional coordination is essential.

The existence of risk should not preclude a project from moving forward, but it does require strong oversight, significant internal support, and sensitivity to political and other changes.


Visit Booth #163
The University of Notre Dame students have dozens of opportunities to study abroad. At this time, Procurement Services has very little involvement in purchasing for the programs. Two of our largest programs are based in London and Rome. In both locations, we have purchased and renovated buildings. Dan Brewer, Procurement Specialist for IT, worked with our audiovisual team for some of the purchases.

There were two approaches to purchasing this equipment. The first involved purchasing the sound system in the U.S. and shipping it to Rome and London. The purpose of this purchase was to replicate one of the successful systems we use on campus. From the Notre Dame Indiana campus, we can provide remote support because of our familiarity with system. Dan Brewer saved thousands of dollars in shipping by using Notre Dame’s preferred

---

**MetaProcure**

Procurement Services  ●  Contingent Workforce Services  ●  Tail Spend Management  ●  Advisory Services

---

**CONTINGENT WORKFORCE MANAGEMENT**

Our workforce management programs are grounded in HR and Staffing principles with the added dimension of World Class Procurement.

We Provide:
- Comprehensive management of all contingent labor categories including: agency contractors and temporary workers, business consultants, IT project teams, independent contractors, student workers and adjunct professors.
- End-to-End Business Process Automation - We integrate with internal business systems including Peoplesoft, SAP, Banner, SciQuest, Sollod, Coupa and Ariba for seamless workforce automation.
- Current State Contingent Workforce Management Assessments
- Diversity Supplier Mentoring and Management

**NEXT GENERATION PROCUREMENT**

Our labor management practice is led by Procurement executives who have impacted hundreds of millions in labor spending for Fortune 50 companies. Leveraging data-driven insights, we will work to reduce your overall cost structure and produce sustainable cost savings.

Let’s Have a Conversation.

Visit booth #137 during the 2015 NAEP Annual Meeting

www.metaprocure.com  |  (404) 402-6470
transportation provider rather than the vendor’s. The remainder of AV equipment was purchased from vendors in Rome and London. Additionally, Dan was able to locate a branch of one of our approved AV suppliers in London that provided a trusted source for some products.

Notre Dame is heavily involved in international purchases in our support of many global research projects. Challenges exist in formalizing terms and conditions; acceptance testing; on-time delivery; fluctuating currency rate; shipping and customs; and payment terms. Procurement’s contracts team and specialists facilitate this complicated process for the end-users. As an example, we work extensively with a program in Haiti, which is a part of Notre Dame’s Neglected Tropical Disease Initiative. Most recently, we worked with the program on the purchase in the U.S. of large equipment for a salt factory that the initiative was building in Haiti.

Jill M. Schunk, C.P.M., Associate Vice President of Procurement Services, Indiana University is a graduate of Indiana University and has achieved her Lifetime C.P.M. Jill applies her love of technology and works diligently to ensure purchasing success in an era of system and organizational change, including the purchasing consolidation at IU, the adoption and implementation of B2B, and the transition from EPIC to Kuali. Email: jschunk@iu.edu.

Matt Estell, Esq., is a Contract Manager for Procurement Services at Indiana University. Additionally, Matt serves his community as an attorney and registered mediator. He graduated from St. Mary’s University School of Law with his JD in 2011 and has a B.A. in Computer Science from Indiana University. Email: mestell@iu.edu.

Nancy Fulcher, C.P.M., is Assistant Director, Strategic Sourcing, at the University of Notre Dame, where she has worked in a variety of procurement positions since 1990. This led to her ongoing role as subject matter expert in the buyND, buyND Sourcing Manager and Renovare (Banner) projects. Currently, she manages the Sourcing Team and has responsibility for procurement transactions; sourcing strategy; commodity and supplier management; and cost management initiatives within Procurement Services. She holds an MBA from Bethel College and a B.A. from the University of San Francisco. Email: nfulcher@nd.edu.
We Achieved Something that wasn’t even a goal

Delaware Valley College’s Director of Purchasing is blown away by the unexpected benefits of eProcurement

“We thought we would be audited… and we were.” Bill Lyle, Director of Purchasing at Delaware Valley College, was aware of a possible audit after the school received funding from a stimulus bill. The purchasing department felt prepared for the evaluation, but the ordeal unfolded in an unexpected way.

“We had everything in the same place. We used the system to create a bid, evaluate the bid, convert the bid to a PO, to receive the goods, and to have all of that information recorded” Lyle explained, “The auditors came in, sat down; and after only 15 minutes, got up and left. They were happy.”

Delaware Valley College (DelVal) is a small private college located in Doylestown, Pennsylvania. With about 1,700 undergraduate and 300 graduate students, DelVal is listed in the “Top 25 Best Northern Comprehensive Colleges.” The institution faced a myriad of procurement issues when Bill Lyle joined as the Director of Purchasing in 2005.

DelVal’s purchasing department relied entirely on a manual, paper-based system. The process started with a small, yellow piece of paper - a requisition that was hard to track and would frequently become misplaced. With limited resources and a small staff, it could take as long as 3 months to get a requisition converted to a purchase order. The clunky process created frustration and led to employees finding ways around the system and spending money off-contract.

Shortly after joining the college, Lyle sought out a way to remedy the lengthy process. After evaluating
the options, DelVal selected ESM Solutions, a leading eProcurement provider, to implement an integrated sourcing, purchasing, and contract management solution. After just a few months of using the SaaS-based application, Lyle saw benefits beyond what he had initially expected, noting, “At times, purchasing departments are looked upon as inhibitors or roadblocks to meeting departmental needs. Procurement automation with ESM Solutions provides a documented, ‘paperless trail’ to assist with problem solving.”

This “paperless trail” was a monumental improvement for DelVal; a college that faced difficulties in managing rogue spend, supplier contracts, and purchase orders for multiple departments. Lyle gained new visibility into departmental spend and could easily track orders in the system. With everything electronically processed, the purchasing department saved time by not having to keep track of paper requisitions, having the ability to re-issue bids and view transaction history, and not having to hunt down suppliers for signed contracts. The time for converting a requisition to purchase order reduced drastically to just a few days.

By implementing an intuitive, easy-to-use application, users grew to trust the system and stopped seeking ways around it. This increased the adoption of contracts and decreased off-contract spend. In addition, employees’ use of P-cards further helped to track, address, and fix rogue spending.

Many of the results exceeded Lyle’s initial goals. DelVal is now nearly paperless and has dramatically increased the amount of spend through the system. The college also decreased the number of suppliers they conduct business with by 43%, which Bill remarks, “wasn’t even a goal, just a wonderful little side effect.”

When Lyle first proposed the switch from a manual process to eProcurement, he was met with resistance and reluctance to change. Employees were not eager to undergo the implementation of a new system, nor were they enthused by the idea of a completely new purchasing routine. To the benefit of DelVal, Lyle strongly believed eProcurement was worth the effort and was determined to make the change.

“Purchasing has a lot of work to do, but that’s why you need to do the work to roll out eProcurement,” Lyle insisted long after implementation completed, “The very reason that you’re busy is why you need to do this.”

Today, DelVal’s eProcurement system functions efficiently with a centralized approach for larger purchases and a distributed approval approach for smaller purchases. Reflecting back on his decision to move to eProcurement, Lyle is fully confident that the time and effort were well worth the results, “The concept of going back to a paper requisition is truly unthinkable at this point,” he says.

To learn more, go to go.esmsolutions.com/NAEP.
Also, register for our upcoming user conference by visiting www.esmsolutions.com/esmexplore.
Study Abroad—Protecting Students and Universities in the Global Classroom

by Kimberly Dulaney, CPSM
Virginia Polytechnic Institute and State University

Studying abroad is the act of a student pursuing educational opportunities in a country other than one’s own.[1] This can include primary, secondary, and post-secondary students. The number of students studying abroad represents only about 1 percent of all students enrolled at institutions of higher education in the United States.[2]

Although the University of Delaware is typically credited with creating the first study-abroad program in the 1920s for U.S. undergraduate students, the early stages actually began at Indiana University (IU). In the 1870s, IU faculty invited students to attend courses in Switzerland, France, England, Germany, and Italy, in a series of “summer tramps.” Studies focused on natural history, language and culture and were so academically oriented that they were eventually offered for college credit.[3]

With students traveling abroad, universities are becoming increasingly aware of the need to offer aggressive insurance coverage to students, faculty, and staff. Students expect universities to know the risks of their study abroad programs. They assume universities are experts in everything international and that they will secure their safety.

Study abroad insurance is complicated. For example, in one scenario students were mugged on a bus. The bus had insurance purchased by the school. The school had worked with the bus company for more than 20 years. Masked men with rifles boarded the bus. The bus did not follow security procedures because it allowed the men to board. It became a question of the university’s liability. No one had updated a check into the quality of the bus company, and that company had not been paying its staff. This situation turned out to be a conspiracy, with the bus driver participating. The question became the checking of references and the carrying out of due diligence. Was there a need for a kidnap/ransom policy? Each solution leads to another problem.

Because the risks are great, engaging the services of a company that specializes in international insurance relative to study abroad programs makes sense. At Virginia Polytechnic Institute and State University (Virginia Tech), insurance coverage is mandatory for all students studying abroad in a formal program. After an extensive RFP process, Virginia Tech negotiated insurance coverage that meets student needs based upon associated risk assessments.

What are the different issues to consider while navigating the study abroad insurance waters? First, ensure that the medical coverage is high enough. Deductibles and co-pays are important. They may be simple. Think of conversion issues. A student waiting for medical attention pending credit-card authorization is not acceptable to the university, the student, or the parents.

Purchase a policy that covers repatriation and evacuation. Evacuations related to medical, political, security, and natural disaster events are all separate and should be considered. Understand the evacuation’s destination. Evacuation in standard travel policies cites “evacuation to stabilization,” which can mean the nearest stable place, and that could be a long way from home. Study abroad insurance evacuates to “home” as a general rule. Study abroad insurance will also cover programs if a student cannot finish a term.

“Mental and nervous” benefits are a growing issue in study abroad programs. Most schools do not provide for screenings of students. Some medications are illegal in some countries. Stress, food, or other issues can affect...
medications. Students could be arrested when they normally wouldn’t be elsewhere. They can get kicked out of housing, attempt suicide—and universities are expected to know what to do. A strong study-abroad insurance program will be able to address different scenarios. The right insurance policy can be crafted to protect the student as well as the university.

Steve Hopkins, with Cultural Insurance Services International, says that a company that excels in study abroad insurance should be aware of the risks involved for any geographical area. For example, Americans die every year in the Costa Rica riptides. Locals do not swim in these tides, but that information is never in the travel brochures. A study abroad insurance program can help inform the school and students of these types of dangers in advance, and can respond quickly if the worst occurs.

Some study abroad insurance policies will provide a search and recovery benefit. Many security benefits even include “boots on the ground,” which means that in some circumstances the company will go to the student instead of requiring the student to self-evacuate to a safe port. There are cases where companies have sent an armored car to pick up students, provide one-on-one advice, security vests, and other measures, all focused on keeping the students safe.

Medical issues are not the only reasons for evacuation. Personal threat can be a cause as well. One type of security benefit is the Safe Haven clause that is designed to move the student from harm’s way for up to six days to provide time for the risk to subside.

Most study abroad policies are inexpensive, relative to the level of protection offered. For example, in Haiti, a company sent two search-and-rescue teams looking for students after an earthquake in that country. These two teams searched everywhere, including morgues, to account for all students. The security company was present in Haiti for 33 days, until the remains of the last student were identified and repatriated. The actual cost was $18,000 per day—significantly more than the premium.

Ellen Douglas, Director of Risk Management at Virginia Tech, points out that from a risk management point of view, some insurance issues to consider when operating internationally are:

- Faculty entering into agreements that could obligate the university in ways not experienced in the U.S.
- Business translations to contracts are something that a provider of international coverage may provide.
- Knowing responsibilities if an automobile accident is critical.
- Ensuring correct names on the contracts.
- Knowing what to do in the event of an incident or arrest (some countries make arrests for not showing proper proof of insurance at the scene of an accident).
- Engaging a local carrier can make a huge difference.
- Knowing bodily injury coverage requirements (in some countries it must be unlimited).
- Understanding that international carriers are more familiar with contracted service providers, may be able to recommend companies that are safe and vetted, and assist with Duty of Care.
• Understanding wage and labor laws (these vary widely from country to country; the university could be obligated to support individuals not officially employed by the university, or be obligated in some other way).

• Understanding natural catastrophe exposure (working through what if scenarios can enable better informed decisions).

• Considering contingent business interruption (what happens in the event of a total shutdown for weeks or even months?).

• Understanding export controls (know of the issues before travel; what are the limitations or requirements of personal devices?)

In summary, at the very least, study abroad insurance should cover:

• Theft, loss or damage of your personal property;
• Travel delay and cancellation;
• Damage to rented accommodation;
• Illness or injury (medical expenses, return trip home);
• Passport replacement;
• Extensive sports activities;
• Luggage protection (including the cost, repair or replacement of personal baggage if destroyed or damaged);
• Repatriation costs;
• Medical emergencies (including hospital, ambulance transportation and treatment costs);

Study Abroad, continued from page 21

©2014 GovConnection, Inc. All rights reserved. GovConnection is a registered trademark of PC Connection, Inc. or its subsidiaries. All copyrights and trademarks remain the property of their respective owners. #6669
• Muggings;
• Natural disasters;
• Personal liability;
• Legal expenses incurred by an Insured Person in proving a claim against a Third Party who causes Injury or illness;
• Emergency evacuation.

What study abroad insurance may exclude:

• Treatment in the country of your normal residence;
• Treatment arising out of use of non-prescribed drugs;
• Treatment arising from an accident when flying other than as a passenger;
• Treatment incurred when travelling against medical advice or to obtain treatment;
• Breakage of fragile items;
• Wear or tear of item;
• Confiscation of items by government or public authority;
• War Risks: This means any war or hostilities including civil war rebellion or insurrection;
• The insured person committing or attempting to commit suicide;
• A person who is travelling or intending to travel against the advice of a medical practitioner;
• Treatment, services or supplies that are not administered or ordered by a physician;
• Treatment, services or supplies that are not medically necessary;
• Treatment of sleep disorders.

Ask if a policy has:

• SMS security alerts;
• 24/7 English-speaking help lines;
• Search & Rescue cover for worst case scenarios;
• Hijack and hostage consultants’ fees cover;
• No excess payable if your trip is cancelled;
• Travel and accommodation for two close relatives to remain with you if you are hospitalized.

Study abroad programs open great opportunities but also introduce great responsibility. Being thoughtful, reasonable and prudent will help to make the experience positive for all involved.

TCPN cuts costs and saves you time.

The Cooperative Purchasing Network (TCPN) helps simplify your steps and reduce your costs. TCPN’s contracts leverage the purchasing power of over 37,000 actively engaged government entities. All contracts are competitively bid and awarded by a single governmental entity – Region 4 Education Service Center. TCPN monitors contracts through third-party compliance reviews to ensure vendor accountability. You can rely on TCPN’s lead agency’s ISO certified processes, 100+ combined years of government purchasing experience and 50+ combined years of auditing experience.

Contract Categories Include: Athletic • Automotive Parts • Equipment Rental • Facilities Fleet Maintenance • Flooring • Food Equipment • Furniture • Grounds Keeping and Irrigation • HVAC • Janitorial • Maintenance & Operations • Managed Print • Office Supplies • Oracle • Playground Equipment • Roofing • School Supplies • Technology

Registration is fast and free. Sign up at www.tcpn.org.
Within the last year, my university (Emory) has ordered an experimental vaccine from New Zealand, a planetarium upgrade from Germany, and a rare musical instrument, whose name I cannot pronounce, from China. While we worked diligently to source the items, we admittedly were not concerned with the work that it took for the items to arrive. They showed up, the customers were happy, and the associated invoices arrived from our trusty customs broker.

While the process usually goes on without a hitch, there are definite risks associated with international shipments. As we all seek out ways to better serve our customers, it is time to embrace the fact that ordering goods from foreign suppliers has become commonplace, and it is our job to serve as a knowledge resource.

When items are shipped into the United States from a foreign nation of origin, there are specific (and confusing) requirements that must be met before the items can cross our border. Thankfully, Emory has engaged a customs broker to sort out all of the details and ensure that our items are safely and quickly delivered to our waiting customers.

In explaining the customs brokerage industry, Mark Turner, Vice President of Express Clearance Operations for FedEx Trade Networks and a 38-year veteran of the business, put it best: “For those who don’t know it, customs brokers are a very critical component of global trade. As a customer, you should be able to rely on your brokers to take the guesswork out of importing goods from other countries and to provide a degree of certainty into getting the item when you are expecting it.” Though your institution may have its own preferred broker, few procurement professionals are aware of the specialized procedures going on behind the scenes that drive the value of this often underappreciated service. With special thanks to Mark for sharing his expertise, this article offers insight into the processes involved and explains why we may hold the key in more efficiently receiving our shipments from around the globe.

The Role of a Customs Broker

The best way to understand customs brokerage is to draw an analogy of a tax preparer and a tax payer. Annually, we as citizens are required to file tax returns with the Internal Revenue Service. Though not required by law, some people find it more advantageous to seek out a professional tax preparer to decipher tax laws, complete the required documentation, and accomplish the filing. Brokers perform a similar function. They are required to navigate through a tangled web of federal regulations, with the added difficulty of understanding the nuances of the approximately 40 agencies, which have responsibility over importations, including the Department of Transportation (DOT), the Environmental Protection Agency (EPA), the Food and Drug Administration (FDA), and the United States Department of Agriculture (USDA). Customs brokerage is a heavily regulated business, seemingly with different regulations for every type of transaction, and including requirements that speak to brokers and what they are, how to become one, and their responsibilities. There are also sanctions if a broker fails to comply.

By definition, a customs broker is a person or entity that conducts customs business on
behalf of its customers and files “entries” on their behalf. The entry is a customs document that is usually supported by additional records provided by the shipper or importer and includes information about the merchandise. The accuracy of the entry and its filing is important in order for U.S. Customs and Border Protection (“Customs”) to determine the admissibility of the goods, specifically if they are allowed to enter the commerce of the United States, and if any money is due to United States government because of a tariff or other mandated fee or tax. The amount due, known as the customs duty, is based on the item’s commodity type, the country of origin, and the value. Therefore, it is critical that accurate and complete information is provided. The U.S. International Trade Commission hosts an online interactive database (http://dataweb.usitc.gov/) that can provide an approximate idea of the duty rate for particular items, but Customs makes the final determination of the correct rate of duty. If a duty is due, the broker will generally advance payment to Customs on behalf of the customer. Therefore, the final invoice that the broker sends to the customer for payment will include the fee for their services and any advances made for duties. The customs broker will also maintain and store the associated shipping records since Customs can require that the documents are produced at any given time.

In addition to the basic customs brokerage services, some providers have additional advantages, including the following.

**Specialized technology.** On the back end, brokerage firms often use advanced technology and systems within systems to help ensure that shipments will flow seamlessly across the border. A fundamental purpose is to ensure that information can very quickly be validated and corrected, if necessary. Brokerage firms may also use automated processes to contact customers “now” with questions about items coming in “tonight” so that the missing information is obtained in order to pre-clear a shipment.

**Integration with domestic logistics.** It is particularly convenient when international shipments can feed through an established domestic network. In the case of logistical giant FedEx, integration is on their side. When the Express Clearance Operations division of FedEx Trade Networks receives the first notice of an incoming shipment, the broker builds an electronic case on the shipment, classifies the goods with the appropriate tariff code, and transmits the required information to the necessary government agencies. As a result, greater than 90% of all arriving items are pre-cleared and most items will then move into domestic FedEx sort facilities, much like any domestic package being shipped from California to New York.

**Assistance with duty refunds.** As previously noted, customs brokers generally advance duty and tax on the customer’s behalf to ensure that there is no holdup and then handle financial settlement after the fact. In many cases, the customer

Continued on page 26
could have provided information after entry has been made and the shipment released, which may have allowed for preferential duty (meaning that the customer overpaid). Customs allows time to amend the entry and apply for a full or partial refund. In addition to providing the required documents, many customs brokers will assist with this process.

How Procurement Can Help

Customs brokers are too often an afterthought in the procurement process (“We did our job, and now they get to do theirs”). However, ideally, the customs broker should be involved before a purchase order is sent to a foreign supplier. Express customs brokerage firms use several calculations to determine efficiency in their operations, but the metric over which the customer has the most control is described as the “caged well.” This metric looks at how many shipments don’t get to move out the same day because a key piece of information was lacking. While the brokers can only use this information in a reactive manner to go back to customers after the fact, Procurement offices have the opportunity to proactively reach out to save much needed time.

To “grease the skids,” you can arrange a meeting with your broker. Explain the types of items that you import and where those items might come from. Your broker can use this information to develop a customer profile in their system to include commodities that they may expect to handle on your behalf, if specific facilities are registered, and the best point of contact in the event of problems or questions. The broker can also provide details about the types of documents that will be needed and if the information is to be provided by the customer or the shipper. Having this knowledge will ensure that the Procurement team can preemptively collect any necessary information—or put the supplier on alert—at the time that the purchase order is generated.

Simply put, ordering goods from foreign suppliers can be complicated. As procurement professionals, we are well versed in how to order almost anything, but when there are Customs regulations involved, we can definitely use help. While we may have to rely on outside expertise, understanding what to expect and knowing who to call for help goes a long way in both preventing our own frustration and serving our institutions. Taking the initiative to foster the relationship with your customs broker will make the process easier, especially in the event of an unpleasant surprise. And it will ultimately lead to enhanced customer satisfaction and a job well done.

Finesha Colton-Lee, CPSM is the Assistant Director of Procurement Operations for Emory University. Her role includes strategic development and oversight of procurement systems, credit card programs, travel, inbound and outbound logistics, cellular/data coverage, and building operations. Finesha has a B.S. in Biology from the University of Georgia and both an M.B.A. and Juris Master from Emory University. Email: finesha.lee@emory.edu.
For the Winter 2014 issue of the Journal, a number of readers asked that I address ethical issues that confront us in our business and personal lives. To get the discussion started, I identified some real-life issues that may or may not be judged as ethical violations. I then asked you, the readers, if you would classify those issues as ethical, business as usual, or politics as usual. Here is what you had to say:

The first example was the Veterans Administration (VA) being under fire for not insuring that our veterans timely receive needed care. Specifically, I noted, Congress was irate that the VA was reporting that care was timely administered when in reality it was not. My premise was that the VA was too understaffed to meet the minimum response criteria established by Congress so it manipulated the data to keep Congress off its back. I believed the VA did this to avoid expending valuable time in responding to Congress when that time could be better used addressing veterans’ issues.

I likened the VA’s manipulation to my own actions as the Director of Supply Management at the University of Nevada Las Vegas (UNLV). My Open Purchase Orders report always showed numerous POs as being open when, in reality, the related goods had been physically received. Since the receiver had not completed his/her paperwork, I could not close the POs. Thus, I was spending too much time answering my VP’s queries as to why the report showed our apparent ineptness in delivering goods. Once I notified all departments that our delivery policy had been changed to reflect that, unless notified otherwise within X days of physical delivery, we would record them as received-and-accepted and close the PO. Yep, we solved the problem and freed up valuable time, all by manipulating the data.

You were fairly consistent in admonishing the VA for hiding the facts. Indeed, you substantially agreed that, by the VA’s manipulations, the data relative to the actual problems never surfaced to the level of those who had the power to correct or at least address them.

In my UNLV case, however, the majority of you were more forgiving since you believed that no one and no department was harmed by my actions. You agreed that we did not have a delivery problem. You further agreed that unless a department was complaining, my manipulation of data was simply good business practice.

The second example concerned a newspaper, The Las Vegas Review-Journal (R-J). In order to generate operating capital, the R-J manipulated its readership report to potential advertisers. I noted that R-J did this by (1) periodically delivering newspapers to non-subscribers, (2) giving free daily newspapers to anyone buying at least 10 gallons of gas at various gas stations, and (3) providing free copies to various restaurants as an incentive for folks to dine at such places. The majority of you did not agree with my contention that the R-J was being unethical. Rather, you argued, this was a good business practice since more people were actually being exposed to the newspaper and its advertising. Most of you saw no downside since no one was being financially injured.

The third example concerned one of my

Continued on page 28

Let’s Talk Ethics, Part II—The Readers Respond

by Bob Ashby, C.P.M., CPCM
University of Nevada, Las Vegas (retired)
friends in Information Technology (IT) who repairs hardware and software and applies updates to PCs for an aerospace company. Many of you saw a similarity to my UNLV Open PO example. My tech friend was evaluated on the number of repair tickets he closed out, but when the company closed its repair parts warehouse, the change required him to determine the necessary repair, order the part, and then complete the repair when the part arrived (and then close out the ticket).

Most of you agreed that the tech’s repair work would, therefore, appear to take longer and, as a result, his evaluation would suffer.

However, there was great disagreement as to how ethical it was for the tech to change his policy to now close the ticket once he ordered the part and then to open a new ticket once the repair parts arrived; had he completed two jobs or only one? On the one hand, some of you appeared to appreciate that his tactic got the top brass off his back so he could complete more repairs. However, others of you countered that his actions provided false numbers and painted an untrue picture of his workload. His take was that it disturbed him to get credit for doing two jobs when he only did one, but if he closed out the ticket only after the job was 100 percent complete, he would be penalized for untimeliness. Since, he reasoned, it was management’s fault that he could no longer do the job timely, his actions were not unethical but, rather, good business practice. About half of you agreed with him.

The fourth example related to the federal government’s attempt to offer financial relief to homeowners under water on their mortgages. I was not under water, but my mortgage holder offered to reduce my interest rate to 3½ percent, thus lowering my monthly payments by a few hundred dollars. My suspicion, I noted, was that they needed to report to the government that they had helped someone, so they opted to help me, a low credit-risk, rather than help a truly needy high-risk homeowner.

I questioned whether it was unethical of the mortgage company to minimize their risk by helping only low-risk mortgage holders and if it was unethical for me to aid them in this plan.

The great majority of you agreed that this might be a sound business-plan for the mortgage company but that it violated the intent of the government policy.

As to my involvement in this matter, most of you agreed that I would be looking a gift horse in the mouth if I questioned (and refused) the offer. No one thought I was party to the plan and, thus, no one accused me of being unethical. However, a few of you did take me to task for not taking the high road and refusing the offer. I agree that I could have taken the high road and refused the offer (and continued to pay a few extra hundred dollars per month). I rationalized, however, that since I was not privy to any of the communications between the mortgage company and the government and was a passive recipient of the offer rather than an active participant, my acceptance was not unethical.

The last example concerned a local Nevada powerbroker being sent to prison for making illegal campaign contributions to our Senator, Harry Reid. You were unanimous in the belief that this was unethical because the powerbroker was exchanging campaign contributions for favors. Although Senator Reid was not charged in the case, you were equally unanimous in your belief that he—the
Bob Ashby, C.P.M., CPCM, is retired from his position as Director of Purchasing and Contracts for the University of Nevada, Las Vegas, where he also served as an Adjunct Professor in the Management Department. Bob has been active in NAEP since 1997. In 2006, he received NAEP’s Distinguished Service Award, and in 2008, he won the newly established Mentor of the Year Award. NAEP renamed the award in his honor to the Bob Ashby Mentor of the Year Award in 2009. Email: ashbybob@embarqmail.com.

Senate Majority Leader at the time—must have known about the situation. You were equally adamant in your belief that this was not an unusual situation on either the federal or state level—just politics as usual. While I agree that politics, especially in the nation’s capital, seems to have become a dirty word, I was still disheartened to observe unanimity of thought in your writings on this.

You offered other examples of possible ethical situations but they all seemed to fit into one of the five categories described above. What was missing from the discussion, though, were suggestions as to what we, in the supply management field, could do to insure we and our institutions do not get tarred with the unethical brush. The best suggestion I could offer paraphrases what realtors say is most important: location, location, location. For supply management professionals the message would be: perception, perception, perception. I will leave you with this story of the highest accolade I ever received in my working life.

UNLV was tiring of the National Collegiate Athletic Association (NCAA) investigating our Athletic Department. The President advised her Cabinet of her mandate that the entire Athletic Department, including all of the coaches, was to attend mandatory ethics training. One Cabinet member noted that a professor on campus taught an ethics class and that he would direct that professor to set up such a session. Our President was reported to have said, “No, have Bob Ashby in Purchasing set it up; we know he can’t be bought.” What higher tribute could I have possibly received? If a similar situation arises at your institution, will your president give that same response? What is your school’s perception, perception, perception of you?

Questions or comments? Write me at ashbybob@embarqmail.com.

The proof of the pudding is in the eating.
Experience the U.S. Communities Difference.

U.S. Communities is the leading cooperative purchasing program for a reason. The value we deliver to higher education and the commitments of our suppliers to deliver solutions, support and the lowest pricing draws more than 500 new users a month. What separates U.S. Communities from other cooperatives?

Dedicated resources — field Program Managers identify solutions and provide support.

Lowest price commitment — so you can have confidence you won’t get a better deal.

Purchase in quantities and frequencies that make sense for you — no commitments or minimum order requirements.

Try U.S. Communities and experience the difference for yourself. We know you’ll like it. Register today at www.uscommunities.org.
Fascinated by mythology, I wrote an article 15 years ago about its role in society, and linked it to Gresham’s Law. That law states that “Bad money drives out good.” That is, over time, intrinsically cheaper coinage (coinage made out of less valuable material) drives coinage of greater value out of circulation. The more valuable coinage is hoarded, melted down for bullion, or exchanged overseas (seen silver quarters recently?).

My concern then, and still now, is the human propensity to institutionalize these changes and codify them as the new “best practice.” Perhaps an example to illustrate this point: attire for church going. I doubt today the notion of putting on your Sunday best is something in the mainstream, because we have promptly (and conveniently) forgotten that we ever wore a coat and tie to church. Sneakers, blue jeans, and t-shirts are acceptable now.

In our professional lives, we forget that we ever accepted a customer’s hand-written requisitions with original creation specifications, pencil sketches, and mailing addresses. Now, with all of the fancy computer systems, their required fields, marketplace listings, online catalogs and myriad other best-practice features, we are losing the art component of our jobs.

Once we have embraced the bad money route, we begin to actualize the practice and codify it into our current mythology. Most of us believe mythology comes to us from the ancient Greeks or Romans. However, I think we, rather than scientists, have created more mythology in the twentieth century using our rational-logical-scientific approach, and I don’t see the 21st century and social media changing that at all.

Remember that little voice in the back of our heads. You know, the one that whispers just before we do anything questionable. It is Mother Mythology talking. Some of us pay attention and some of us ignore it, but it is difficult to deny its existence. This is the voice we call conscience (ever wonder why your conscience talks in a good-evil context?). Somehow that voice has been getting lost. I submit that our new mythology has helped to create a new reality by purposefully forgetting the past. We have been assisted all the way by the spin doctors of the digital age.

Take the topic of energy efficiency. So much misinformation is being driven by Gresham’s Law that most citizens and most buyers don’t know what to believe. The mythology is in part created as a method to garner market share and to sell more, but it is also a function of technology. Society has embraced the reductionist theory of pretty much everything. That is, we are rapidly moving to a place where we know more and more about less and less. This loss of knowledge of the big picture is entirely consistent with Gresham’s Law. So rather than learn what energy efficiency is and why it is important or how it can be accomplished, society volley’s the questions to technocrats. In this short article I address ten of the most common myths about energy efficiency.
goal obviously is to share knowledge, which I hope will be commonly held, understood, and put into action.

**MYTH:** The potential benefits of energy efficiency are small and not worth measuring. The EPA confirms that improving energy efficiency is one of the most constructive and cost-effective ways to address the challenges of high energy-prices, energy security and independence, air pollution, and global climate change. There are thousands of institutions and businesses who have very impressive energy savings.

**MYTH:** Smart meters will save more energy. Studies show that smart meters alone do not save energy. Those studies also report that demand reduction was statistically insignificant. Effective use of smart meters requires substantial investment in human capital, projects, technology and analytical tools.

**MYTH:** Turning off lights for short periods of time doesn’t save money and it shortens the lives of lamps.

**MYTH:** Building Management Systems (BMS) are already efficient. BMS can be easily overridden, and frequently are, by untrained but well-intentioned technicians. BMS do not account for real-time activity. It is the synergy between the BMS and device-level Energy Management Systems (EMS) that enables insights into greater energy efficiency.

**MYTH:** Turning off lights for short periods of time doesn’t save money and it shortens the lives of lamps. Turning off lights, even when leaving a room for short periods of time, does save energy with little to no impact on the lifespans of lamps.

**MYTH:** Turning off your computer, laptop, printer, and similar devices won’t save energy and it will shorten the life expectancies of the devices.

**MYTH:** In very cold weather, you should start your car and allow it to idle and warm up before driving to avoid damaging the engine. Idling a modern engine (even for short periods of time) will always waste more energy than turning it off. Modern engines are designed much better than most people think. While it is best to avoid stressing the car while the engine is cold, simply drive a bit more gently for the first few minutes. There is no need to spend time warming up the car in very cold conditions.

**MYTH:** Turning off your computer, laptop, printer, and similar devices won’t save energy and it will shorten the life expectancies of the devices.

**MYTH:** Compact fluorescent lamps (CFL) do not save energy, provide lower quality light, and are health hazards. Modern CFLs work better than incandescent lamps, use substantially less energy to provide the same level of lighting, and are just as safe. CFLs have improved greatly in quality and variety. Look for the Energy Star label to ensure high-quality lamps, and try out different color varieties to find the ones you like best. If a fluorescent lamp breaks, authorities suggest there is not enough mercury to present a serious health hazard.

**MYTH:** If the thermostat is turned down for the day it won’t save any energy because it will take even more later to get the house back to the desired temperature. As general rule, if you are going to be gone for 6-8 hours, turning down the thermostat will save more energy than it will take later to return to the desired temperature. Note: If you have a programmable thermostat you can set this energy reduction once and the system will do the remembering for you.

**MYTH:** There is no need to change the air filters for the heating and air-conditioning systems until the filters are full. Simple maintenance will keep your heating and air-conditioning systems running efficiently and cost effectively. Plan to change air filters regularly (once a month during heating and cooling season) and get a professional tune-up every two or three years.

**MYTH:** Buying energy-efficient systems will automatically reduce energy bills. Hardly. While many systems are much more efficient than they used to be, the savings may not be realized if the equipment is not sized or installed properly. Studies show that equipment not sized or installed properly can waste up to 30 percent of the energy used. Thus, the most important decision can be choosing the right contractor so that the equipment will be the right size, properly installed, and so that the ductwork won’t leak. Good contractors will ask questions about comfort needs, run load calculation programs, and discuss options.
My First Annual Meeting—An Initiation?

By Neil Markee

With NAEP’s Atlanta Annual Meeting on the horizon, I got to thinking about past meetings. My first one was in 1964, at the grand old Jung Hotel in downtown New Orleans. I had joined E&I Cooperative Services in January, fresh out of the Navy, and got married to Susan in April. Having accumulated enough cash and credit to afford two suits and new shoes, I was ready to go. My head was full of the names of the campus-procurement royalty I might meet. I was going to the largest annual gathering of higher education’s professional purchasing expertise held anywhere in the world! And it still is.

F. Gerard (Gerry) Perrine was my boss and the Cooperative’s number-two executive, just behind William C. Price, our CEO. Mary Pfeiffer, Gerry’s redoubtable secretary and corporate secretary, apparently drew the short straw and was assigned to travel with me—probably to make sure the new kid got to the Crescent City. I boarded with what I thought was a cold and settled into an aisle seat, back in the day when you could settle into an airliner seat and when jet travel was still an adventure. Utterly cool, crisp, urbane Brother Jim Kenny, who was Treasurer of both Fordham University and E&I, was seated across the aisle as we left JFK. He was reading something that had to be a properly folded Wall Street Journal, I thought. In about the fifth grade in Brooklyn, they actually taught the correct way to fold and read a newspaper on the subway.

An hour or so into the flight, my cold had morphed into something more. I was sweating profusely, shivering, and coughing, when the jet flew into what proved to be a continuous thunderstorm. I glanced across the aisle at Brother Kenny. I was not relieved to see him with his head bowed and rosary beads in hand. Coming out of three years of sea duty, I wasn’t airsick, but I was ready to land.

The rain had slackened as we touched down. Somebody mentioned that the downtown area was kept dry by a series of huge pumps. When the cab pulled up to the hotel, we found a temporary cement-block-and-plank causeway across the sidewalk and throughout the lobby. I wondered if the pumps were still winning. Following behind a bellman, I headed across the sodden lobby carpet, eager for my room and bed. I heard that the lower-level exhibit space had been flooded but would be pumped out during night. I didn’t really give a hoot, as I fell into bed.

The next morning, the sun was out and I felt better (ah, youth). Bert Ahrens was the long-time CEO of the Association; this was his show; and he said it would open the next day on time as usual. Wisely, I kept my doubts to myself as I helped Southern Spring Bed Company, an E&I contract supplier, remove their submerged mattresses, which now seemed to be attached to the building. Soon enough, thanks to a fleet of wet/dry vacuums, the basement exhibit area was dry enough for set up, and we opened on time—just as Bert had said—and my practical education had begun!
One night during the meeting, I rounded up the half dozen Northeastern regulars I knew and headed out to dinner at the recommended Commander’s Palace. The food and service was great and everything went fine until the check was presented and I confidently handed over my new corporate AMEX card. The waiter frowned and whispered to me that they didn’t accept credit cards. But that’s another story.

See you in Atlanta, Georgia, at the Hyatt Regency Hotel, April 12-15. Flooding isn’t a concern.

Neil D. Markee is the Founding Editor of Purchasing Link. Prior to his retirement in 1996, after 25 years as Executive Vice President (CEO) of NAEP, then known as NAEB, he had served for seven years on the executive staff of Educational and Institutional Cooperative Services. After retirement, he was employed for two years as an advisor for the fledgling HigherMarkets Inc., until it was acquired by SciQuest Inc. In 1998 he was honored by the creation of the NAEP Communicator of the Year Award, in his name, for contributions to purchasing in support of higher education. Email: ndm11777@aol.com.
UNIMARKET DRIVES PROCUREMENT

efficiency and savings for Creighton University

By moving its procurement to Unimarket’s online cloud-based solution, Creighton University has reduced and eased administration, saved money and improved its carbon footprint thanks to a dramatic reduction in paper use. Creighton University has also improved its procurement with approved suppliers while limiting their numbers, and – crucially – made procurement easier for faculty members.

Founded in 1878 and located in Omaha, Creighton University is one of 28 Jesuit colleges and universities in the United States. Nationally recognized for providing a challenging and balanced educational experience, the University offers a rigorous academic agenda with a broad range of disciplines, providing more than 7,700 undergraduate, graduate and professional students with degree programs.

A PAPER-HEAVY PROCESS

Like many organizations, Creighton University has revenue enhancement and cost containment as an ongoing priority, confirms Joseph Zaborowski, Director of Purchasing. “I came to the University from a private sector background to find purchasing relying on a legacy approach and system. While it worked, there were problems which provided opportunities for improvement,” he relates.

These problems included poor visibility into procurement, and difficulty in keeping faculty and staff informed of which suppliers they should look to for various products and services (and as a consequence, “supplier creep” increased as more were added often on an ad-hoc basis).

But most importantly, says Zaborowski, procurement was just difficult. “A major driver is that I wanted to make it easier for our university community to get the things they need to be effective. The system we were using was antiquated; I wanted to provide more control and a centralized view.”

With the previous model, Zaborowski adds that procurement was a paper-heavy process. “There was a lot of faxing and filing which took place between our office and those of suppliers. There were at least 7 filing cabinets filled with paper records as a result.”

“It just wasn’t as complex as I thought it might be. The Unimarket supplier marketplace made the process of on-boarding and integrating supplier catalogs a straightforward process,”

– Joseph Zaborowski, Creighton University Director of Purchasing

www.unimarket.com
A VALUABLE CHANGE

Unimarket came to the forefront as not only delivering good value for money, but also a level of flexibility that wasn’t available from any other provider, says Zaborowski.

Finding a solution depended first on identifying and defining the problem, and then on securing the necessary budget to enact change. That process alone took some time, remembers Zaborowski. “With some money allocated, we went to market and assessed the usual suspects, narrowing it down to 7 potential providers which specialize in the academic field. Unimarket came to the forefront as not only delivering good value for money, but also a level of flexibility that wasn’t available from any other provider.”

Unimarket’s cloud-based eProcurement solution also delivers other advantages. A cloud-based Software-as-a-Service solution which delivers full procure-to-pay functionality via a standard web browser, it is rapidly installed with the ability to meet the needs of small and large organizations.

It is also designed with ease of use in mind; individuals comfortable with consumer online shopping systems, such as eBay or Amazon, have little difficulty in understanding the Unimarket interface.

From a technical perspective, continues Zaborowski, migrating to Unimarket presented no particular challenges. “It just wasn’t as complex as I thought it might be. The Unimarket supplier marketplace made the process of on-boarding and integrating supplier catalogs a straightforward process,” he relates. “And we had engaged with a number of key suppliers before we got on board with Unimarket; from their perspective, it was an easy connection too.”

In terms of change management – getting the various faculties, of which Creighton has nine – Zaborowski says an approach of targeting the “low hanging fruit” was taken. “In an academic environment change is best accomplished by getting buy-in from the end users. We initially targeted groups where achieving buy-in would be easier, then as the ease of use was demonstrated, the Unimarket system gathered momentum to extend to more areas throughout the University,” he explains.

CONTACT US contactus@unimarket.com | (888) 868-5829 | unimarket.com

A VISIBLE IMPROVEMENT

Our suppliers are seeing the benefit of a tightly integrated electronic supply chain, says Zaborowski.

Some three years have passed since the introduction of Unimarket to Creighton University, providing ample opportunity for the organization to evaluate the system. Zaborowski says a good example of how things have changed can be seen in the approval process – from requisitioning goods to getting a purchase order. “That’s gone from 8 days before Unimarket, down to 20 hours now.”

A highly visible improvement, he continues, is the amount of paper and related supplies which are used by the procurement team. “From those 7 or 8 filing cabinets, we’re down to one. From a sustainability and environmental point of view, that really helps a lot.” There’s a dollar savings too; for example, “We spend around $30-$40,000 less per year on office supplies.”

Because Unimarket provides full visibility of the procurement process, including catalogs from suppliers organized by Creighton purchasing to be visible and available to the appropriate groups of staff and faculty for purchases, he says compliance levels with contracts entered into by the University are considerably improved. At the same time, “supplier creep” is contained. “Even in the 3rd year of using the system, we have reduced the number of suppliers by 9%,” Zaborowski confirms, noting that fewer suppliers allows for consolidated purchasing, discounts and ease of management.

Visibility also means the ability to see what people are doing and intervening quickly and accurately should there be deviations or if assistance is required. “You can manage the process far more effectively if you can see what is going on,” he notes.

There’s also a tangible supplier benefit which has flowed from Creighton’s project. “Our suppliers are seeing the benefit of a tightly integrated electronic supply chain. Creighton worked together with the suppliers and Unimarket’s supplier adoption team to on-board the required suppliers with catalogs and integration so they can electronically receive orders and submit invoices to get paid easier and faster. For all parties involved an integrated supply chain just works better.”

On the goal of making it easier for users, Zaborowski says this is very much “mission accomplished.” “That’s a key factor in driving the success of Unimarket; the longer it is in place, the more people come to realize just how simple and easy finding what they need can be with an online e-procurement solution,” he concludes.

“There’s a dollar savings too; for example, ‘We spend around $30-$40,000 less per year on office supplies’.”
- Joseph Zaborowski, Creighton University Director of Purchasing
Dual Purchasing Tools To Utilize Instead of Bidding

Serving schools, government agencies and other nonprofit organizations. With cooperative purchasing you save time and money by piggybacking on quality contracts from KPN and PEPPM. All contracts are publicly and competitively bid and awarded. Visit our websites to shop for the products you need.

PEPPM For TECHNOLOGY and KPN for EVERYTHING ELSE.

(888) 654-5290 / info@PEPPM.org
www.PEPPM.org

(888) 490-3182 / info@theKPN.org
www.theKPN.org